



U.S. Department of Justice

*United States Attorney
Eastern District of California*

*501 I Street, Suite 10-100
Sacramento, California 95814*

*916/554-2700
Fax 916/554-2900*

Contact: Patty Pontello, 916/554-2706

For Immediate Release
January 7, 2004

**WHISTLE-BLOWERS RECEIVE \$8.1 MILLION IN FRAUD CASE
AGAINST TENET HEALTHCARE CORPORATION ALLEGING
PERFORMANCE OF UNNECESSARY HEART SURGERIES
AT REDDING MEDICAL CENTER**

SACRAMENTO— United States Attorney McGregor W. Scott announced today that Father John Corapi (Corapi), 56, and his colleague Joseph Zerga (Zerga), 61, will receive \$8.1 million in payment under the federal False Claims Act (FCA) based on their whistle-blower complaint alleging that unnecessary cardiac surgeries were being performed at Redding Medical Center (RMC), in Redding, California.

The \$8.1 million award will be paid to Corapi and Zerga out of a record \$54 million recovery by the United States in the civil case. The negotiated amount constitutes 15% of the total recovery and represents the statutory minimum for which whistle-blowers are generally eligible under the FCA. Payment is expected to be made within 30 days after the agreement between the United States and the whistle-blowers is signed.

In July 2002, Corapi and Zerga reported the alleged unnecessary procedures to the FBI, which began investigation of the case. In November 2002, Corapi and Zerga filed under seal a False Claims Act complaint against Tenet Healthcare, RMC and physicians involved in the alleged fraud.

The False Claims Act was enacted in 1863 at the request of President Lincoln, who believed that the Union Army was being defrauded by dishonest contractors during the Civil War. The FCA provides that a person aware that the government is being defrauded can share that information with the government ("blow the whistle") and then share in the government's recovery under the Act. The statute provides that the whistle-blower can file a complaint under seal, which is not served on the defendant until the government investigates and makes a determination whether to take over the case.

According to Assistant U.S. Attorney Michael A. Hirst, who prosecuted the case, the United States can recover as damages up to three times the amount lost due to the fraud, as well as penalties for each false or fraudulent claim submitted to the government. Generally, a whistle-blower is eligible for between 15 to 25% of the total recovery in the case.

Father Corapi, a Catholic priest, was seen by Dr. Chae Moon in Redding, who performed cardiac catheterization and then recommended that Corapi undergo immediate, multiple-vessel heart bypass surgery at RMC. Corapi believed the surgery was unnecessary and went to physicians outside of Redding for second opinions on the procedure. Those physicians advised that he did not need the surgery. After complaining unsuccessfully to officials at RMC about the surgery recommendation, Corapi and Zerga reported the fraud to the FBI, which launched the case investigation.

No criminal charges have yet been filed in the case. The investigation continues through lead agencies the Federal Bureau of Investigation, the Department of Health and Human Services, and the Defense Criminal Investigative Service.

###